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URBAN RETAIL AND WHOLESALE BEHAVIOUR IN ILORIN METROPOLIS, KWARA STATE, NIGERIA

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Abstract

This paper examines the business behaviour of retail and wholesale population in Ilorin, Nigeria. This behaviour pertains to the hierarchical organizational structure of the retail and wholesale distributive outlets and the observed pattern of changes in occupational advancements (growth or decline), along the different stages on the business ladder. Data used in this study were obtained through primary and secondary methods. 193 questionnaires were administered to urban commercial traders. The data generated was interpreted using tables, simple percentages, and chi-square test of significance. The result showed a considerable appreciation in the respondents' educational levels for the respective cadre of education, most especially at the tertiary levels. No significant variation in gender composition amongst the trader population in Ilorin. In addition, it was discovered that a pattern does exist, first, even within the trader population in the context of differences in the business premises types. Secondly, that urban dwellers who engage in urban commercial endeavours are organized hierarchically ranging from different retailer and wholesaler classes either at the bottom or peak of the structure.

Introduction

Many researches on urban commercial activities in both first and third world nations have saddled themselves with the ordering of retail district into a hierarchy. Retailing of goods and services constitutes an important part of the central functions of an urban center as a central place. It forms part of the economic bond between the city and its dependent region. In economic terms, wholesale and retail activities contributed 16.97% to the Nigerian GDP in Q3 of 2009 (NBS,2009). In those Nigerian cities which have attained distinctive land use differentiation, there has emerged a general structure of wholesaling and retailing, similar in broad outlines but different in detail from city to city (Okoye,1977).

Many scholars in Nigeria in their bid to articulate retail and wholesale business behaviour of urban populace, have studied hierarchical ordering of retail "area" or "nucleation", using the theory of territory activity or the rubric of intra-urban hierarchy. Onorkerhoraye,(1977); Okoye (1977); Onorkerhoraye and

Omuta (1986); Idoko (1980) and Okpara (1994); in their studies all reported a structural ranking in the retail components of their studied cities. They discovered that lower-order tiers, generally depend on the higher-order tiers in the hierarchy for higher-order goods and services. Besides this idea of nesting, each tier of the retail hierarchy has other functional relationships with other tiers (Okoye, 1977). The retail area in a city, therefore function as a system whereby an effect on one retail centre has important repercussions on the others in the system. Also the energy of the retail area comes from the demand for goods and services by consumers.

A study by Onokerhoraye and Omuta (1986) reported that although aspects of these concepts and empirical situation are relevant to the Nigerian situation; there are problems in trying to relate these to the structure of retail outlets in Nigerian cities in which the traditional market place plays a dominant role. They also confirmed the presence of a hierarchy of commercial 'area' in their study area. Both also identified the central business District (C.B.D.), the principal thoroughfares, and outlying commercial nucleation. It may thus be established that commercial activities rather than be an occupation which people aimlessly venture into (Herrick, 1965), it could be looked at as a rational response to a cash economy in regions where modernization and the accompanying urbanization have altered the indices of wealth or affluence.

The different components of the city retail structure are usually functionally related. Onokerhoraye (1977), Okoye; (1977) and Idoko; (1980) used objective methods to show that the retail components of the cities they studied are hierarchically structured. The lower tiers generally depend on the higher tiers or higher-order goods and services in the retail hierarchy. This present study will attempt to determine the business behaviour of both retail and wholesale population, with the city of Ilorin as a case study.

Study Area

The research study was conducted within the city of Ilorin, Kwara State capital. Ilorin is situated in a transition zone between the northern and southern Nigeria (fig. 1) on latitude $8^{\circ} 31' N$ and longitude $4^{\circ} 35' E$.

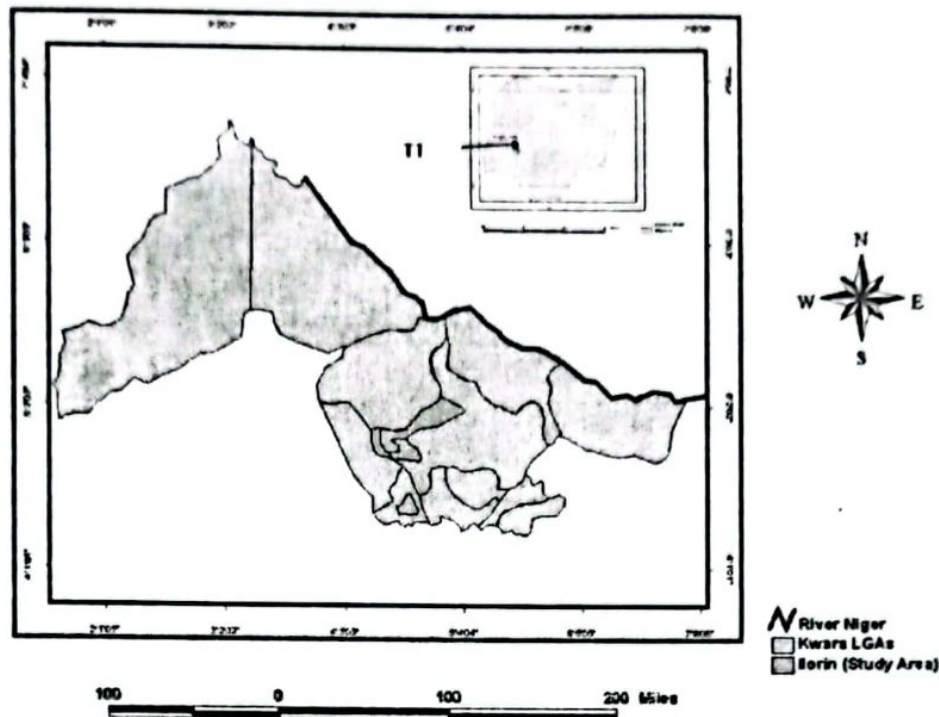


Fig.1 : Map of Kwara State Showing the Study Area (Inset: Map of Nigeria Showing Kwara State and Ilorin)
Source : Kwara State Ministry of Lands and Housing , 2009.

The city is approximately 100sq.km comprising parts of three of the sixteen LGAs of the state, (Ilorin west, east, south); and with a population of 572,178 (NPC,1991) and 777,667 (NPC,2007).

Ilorin has been described as a socio-cultural and religious political meeting of Nigeria (Oyebanji,1997). The majority are Yoruba speaking tribe with Hausa, Fulani and Nupe as other groups forming significant proportions (Raheem, 2006). Ilorin has therefore been described aptly as the “Gateway City” between Northern and Southern Nigeria (Mohammed, 2006). Due to this geographical proximity; she plays some key roles in the socio-economic development of the surrounding towns and cities (Ahmed, 2006). The socio-economic activities have increased tremendously from agricultural practices of growing food crops, to local craft of cloth weaving, leather works, pottery, embroidery, tie and dye, mat making etc, to modern commerce with viable trading, industrial and administrative activities (Olorunfemi, 2001).

Methodology

Samples of questionnaire were systematically and randomly administered within parts of the three local government areas that make up the metropolis; in order to derive wider coverage and participation of opinions. A total of 193 questionnaires were administered each comprising 23 structured questions meant for about 5 categories of urban commercial traders dotting different locations especially at Oja-Oba, Oke-Oyi and Fufu all headquarters of Ilorin West, East and South LGAs.

(a) The data utilized in the study were part of the larger body of field materials gathered especially via primary sources which all tried to identify possible factors enhancing the dynamism in urban business hierarchical structures.

(b) Information and facts gathered were subjected to both descriptive (percentages and frequencies, tabular representation) and inferential (chi-square) statistical analysis.

Results and Discussions

Age, sex and educational distributions of respondents

The respondents within the age range of 25-34yrs, i.e. youths or 'young adults' are the dominant in all the sample zones. They represent 35.7% of the total

Table 1: Age Distribution of Respondents

Age Range (Yrs)	Ilorin South	Ilorin West	Ilorin East	Total
15-24	8 (17.8)	20 (30.3)	12 (14.6)	40 (20.1)
25-34	17 (37.8)	26 (39.3)	26 (31.7)	69 (35.7)
35-44	11 (24.4)	11 (16.7)	23 (28)	45 (23.3)
45-50	7 (15.6)	4 (6.1)	15 (18.3)	26 (13.5)
51-Above	2 (4.4)	4 (6.1)	4 (5)	10 (5.2)
No Response	-	1 (1.5)	2 (2.4)	3 (1.6)
Total	45	66	82	193

Source: Author's Field Survey

respondents. Table 1 shows the respondents age ranges, which also highlights the dominant group found at centres within the metropolis.

The business environment in Ilorin can be said to be gender conscious, because unlike the scenario common in Northern Nigeria where women involvement in the distributive trade is close to minimal, females account for a substantial chunk (53.4%) to the males' (42.5%) in the trading activities in Ilorin. See Table 2. A chi-statistical analysis was further done on this table to determine

the existed variation in the Gender composition among the 3 LGAs, at 5% alpha level and a degree of freedom (d.f) of 4, $X^2 = \text{Cal. } (0.28) < X^2 - \text{tab. At } 0.05 = (9.49)$. It was therefore concluded that no significant variation exists in the gender composition of respondents in the LGAs of Ilorin metropolis.

Table 2: Sex Distribution of Respondents

SEX	Ilorin East	Ilorin West	Ilorin South	Total
Male	32 (39%)	30 (45.5%)	20 (44.5%)	82
Female	44 (53.7%)	35 (53%)	24 (53.3%)	103
No Response	6 (7.6%)	1 (1.5%)	1 (2.2%)	8
Total	82	66	45	193

Source: Author's Field Survey

Unlike the trend especially in some Nigerian Eastern States, with high-rate of school drop-outs venturing into commercial business, the picture seen in the city of Ilorin indicates a high level of literacy amongst urban traders. Majority of respondents claimed to have acquired either tertiary (University, Polytechnics & Colleges of Education), or Secondary types (or Junior Secondary) education certificates. Unlike the old practice, it was noted that most indigenous respondents now have a combination of Quranic and Western Educations. Also, a number of respondents occupy the non-formal education group. See Table 3.

Table 3. Educational Background of Respondents.

Types of Education	No. of Respondent (%)
Non – Formal	10 (10)
Quranic	1 (0.5)
Primary	23 (11.9)
Secondary	63 (32.6)
Tertiary	74 (38.3)
No Response	13 (6.7)
Total	193 (100)

Source: Author's Field Survey

Functional hierarchical structure

According to Table 4, in Ilorin East 83% of respondents are retailers, in Ilorin West 59.1%, while in Ilorin South, 68% were retailers. In total, 71.5% of respondents are in the retail category in Ilorin's functional status; while wholesalers totalling 23.8% were identified during the period of survey. Also, 3.1% and 1.6% of the whole respondents claimed to function both as retailer and wholesaler.

A variety of trader categories were identified. Occupying the bottom of the ladder is the proprietor without a fixed location for the display of his/her wares, practicing solely retail trade; either operating from an improvised stand, by the road side (i.e Taiwo, Post Office, Murtala, Maraba, Tanke & Zango Roads) or at the vicinity of major markets; as seen at Ipata, Oja-tuntun (Baboko), Oloje, Ago, Yoruba Road and Oja-Oba (Emir's) Markets. Responses between each local government units are arranged in Table 4.

Table 4: Functional Hierarchical Status of Respondents

Nature of Trading	Ilorin East	Ilorin West	Ilorin South	Total
Retailer	68 (83)	39 (59.1)	31 (68)	138 (71.5)
Wholesaler	12 (14.6)	23 (34.8)	11 (24.4)	46 (23.8)
Retail and Wholesaler	2 (2.4)	4 (6.1)	0 (0)	6 (3.1)
No Response	0 (0)	0	3 (6.7)	3 (1.6)
Total	82 (100)	66 (100)	45 (100)	193 (100)

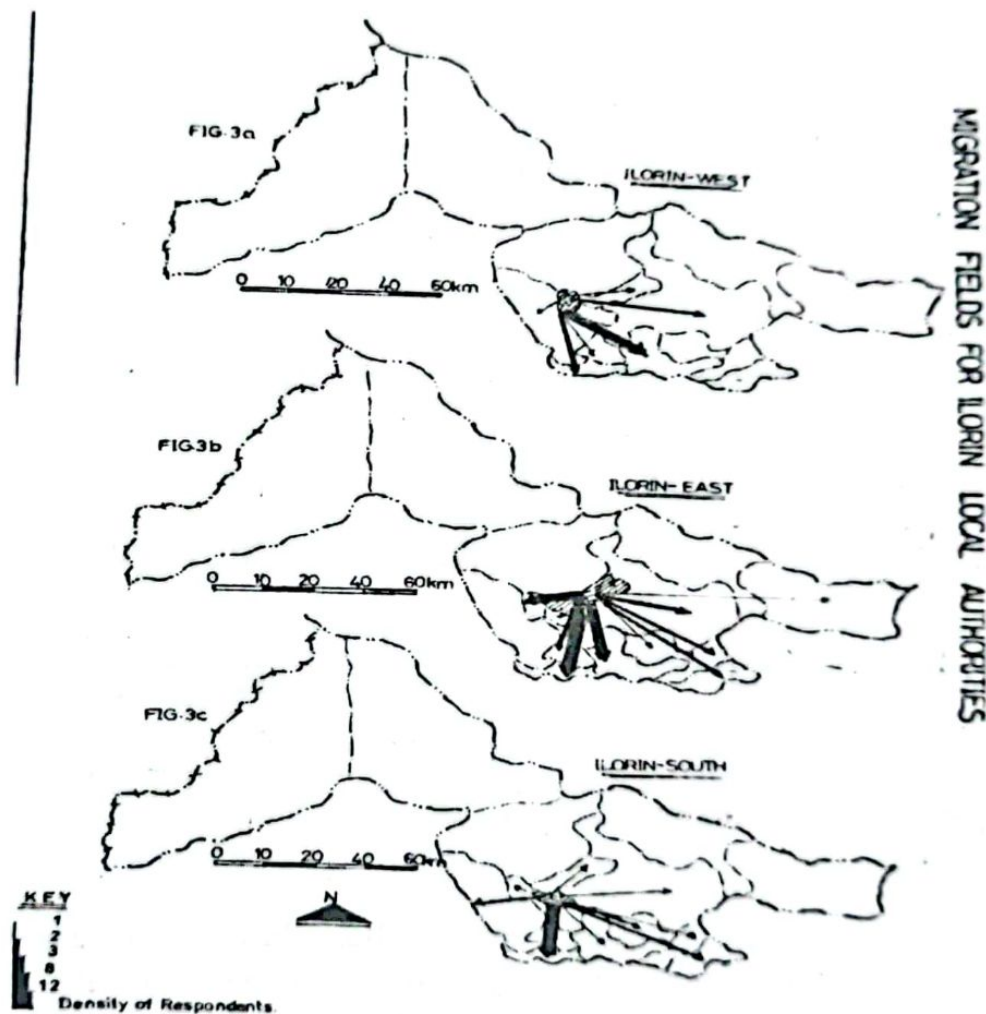
Source: Author's Field Survey

Consequently, six retail categories were identified; firstly, those found hawking in 'trays' with no specific location and occupying the bottom of the business ladder; those in improvised street stands; the street-corner retailer i.e. kiosk'; market place and street lockup shops and finally retailers who claims to perform both wholesaling and retailing activities.

Also three wholesale categories were identified, which were those serving as Company Distributors; Manufacturers' Representatives and Importer from overseas of goods like Electronics, Building materials and Fairly-used automobiles known locally as('tokunbo cars') especially along major roads like Murtala Muhammed, Ibrahim Taiwo, Lagos, Geri-Alimi, Asa Dam etc. Table 4, highlighting the different trade-categories identified, shows that in the study, the retailers dominates the distributive trade in the Ilorin metropolitan authority representing 71.5% of the sampled respondents, 23.8% were wholesalers; while both retailers, retailer & wholesaler at 23.8% and 3.1%.

Furthermore, the commercial pre-eminence of Ilorin metropolis was clearly emphasized by the observed differences in migration fields, see fig.2 a, 2b

& 2c respectively. This represents traders from 12 of the 16 local government areas, the non-indigene or migrant traders mostly originating from the south-western and eastern parts of Nigeria. These groups according to Mabogunje (1968), are immigrant groups apparently not to swell the ranks of the 'unemployed', rather they became self-employed by engaging in all forms of distributive functions and ultimately becoming parts of the core trader population. Ravenstein's assumption cited by Todaro (1976, p.15) on the relationship between migration and distance is further corroborated by the trader-migration patterns to these administrative



units of the metropolis. Also reference to Todaro (1976) recall of Ravenstein's law, stating the relationship between migration and the distance migrants are willing to travel between two points, movement will tend not only "towards great commercial and industrial centres" alone, but to "centres of tranquillity and harmony" that which the city of Ilorin is popularly ascribed with.

Hierarchy of business premise

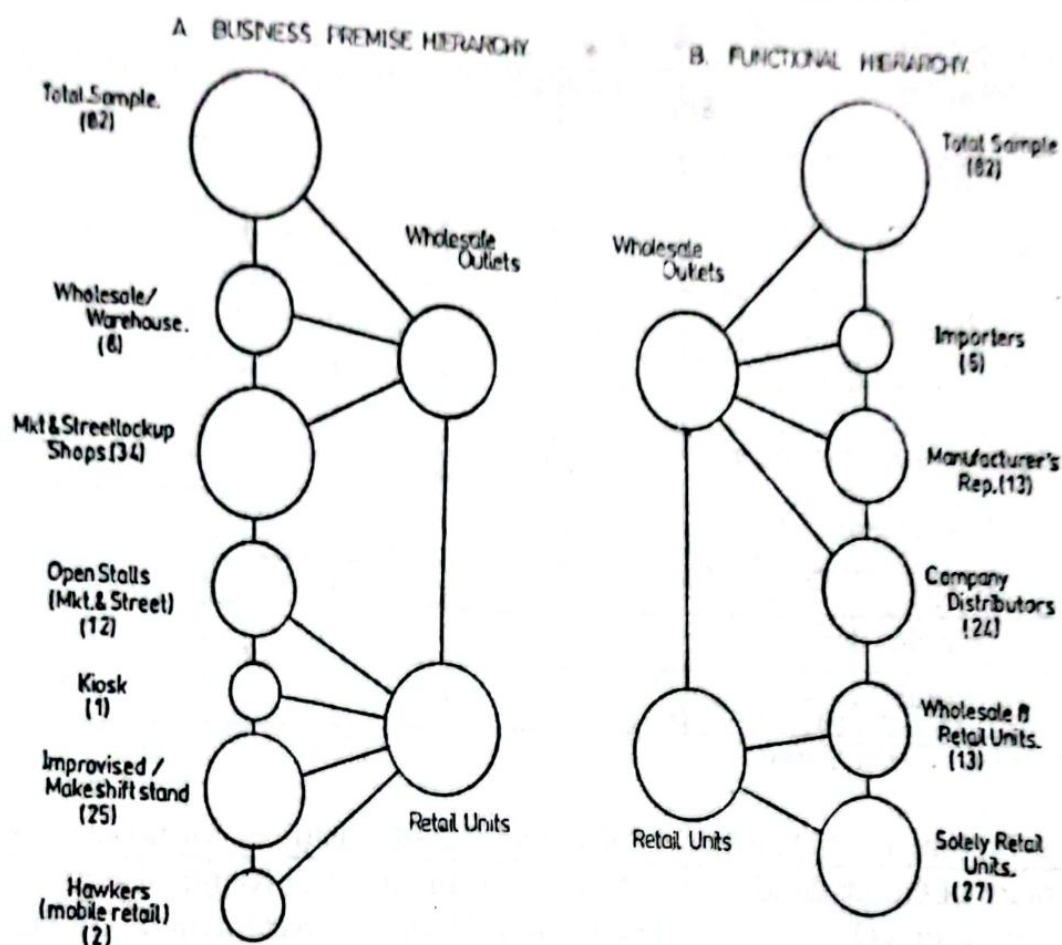
The type of outfit or premise a trader operates from on daily basis also serves as another important tool for determining the structural ranking or hierarchy of business in an economic environment. By this, the range of capitalisation a trader is willing to invest into his business also creates difference in ranking / hierarchy (i.e that between a kiosk or a tiny street corner shop, and a shopping mall or supermarkets). Also through these commercial outlets, the category of customers who are able and willing to patronise them differs. Six major types of business premise harbouring diverse trader categories were discovered during this study. A picture of findings from the three Local Government Areas comprising the metropolis, are depicted in Table 5.

Table 5: Spatial Distribution of Business Premises

Nature of Business Premise			
	Ilorin East	Ilorin West	Ilorin South
Warehouse	8 (9.8)	7 (10.6)	3 (6.7)
Market & Street lock-up Shop. (Supermarket Inclusive)	34 (41.5)	38 (57.6)	23 (51.1)
Open Stalls	12 (14.6)	13 (19.7)	11 (24.4)
Kiosk	1 (1.2)	0	0
Improvised/ Make shift Stand	25 (30.5)	7 (10.6)	5 (11.1)
Hawker	2 (2.4)	1 (1.5)	0
No Response	0	0	3 (6.7)

Source: Author's Field Survey

The existence of a hierarchy of business amongst Ilorin based respondents, with a background on business premise designations otherwise ascribed to the proprietors of business outlets is graphically depicted in fig.3. This figure depicts the harmony between the two approaches to trader-categorization. By the business premise approach, 42 wholesalers occupy the two top-most levels of trader hierarchy, whereas they redistribute themselves among the three apex levels through the functional hierarchy approach. In each case, there were 42 wholesale units and 40 retail units.

FIG. 3 TRADER HIERARCHICAL STRUCTURE FOR ILORIN CITY (EAST)

Source: Author's Field Survey.

The claim of distribution of goods can be ascertained through the category of customer who patronizes each outlet on the structural hierarchy. Furthermore, the oral effect influence on commodity price, the consumer is made to bear and which ultimately determines cost of living is determined here. Purchases by most housewives and catering outlets dominate the consumer chart. According to Table 7, 53.9% of traders claimed to sell directly to consumers for their household consumption. 19.2% were patronized by retailers, both consumers and retailer represent 14%. Purchases by wholesaler form 6.2%, while 2.6% and 0.5% are Middlemen and Agents respectively. Meanwhile, 3.6% of respondents were unable to indicate the appropriate categories applicable to them.

Table 6: Distribution of Wholesale and Retail Units

Nature of Business (a)Retailer			
	Ilorin East.	Ilorin West.	Ilorin South
Hawking	3	1	
Improvised Stand	27	9	6
Street Retail Stand	12	7	13
Street Shop	14	11	8
Market place Lock-Up Shop	12	13	4
Retail and Wholesale Units	2	3	0
Nil	0	0	3
(b) Wholesaler	12	22	11
Total	82	66	45

Source: Author's Field Survey

Table 7: Numerical Distribution of Urban Based Customer for Ilorin.

Recipient of Goods Sold (Customer)	Number of Final Recipient of Goods	% Range of Final Recipient of Goods
Consumers	104	53.9
Retailers	37	19.2
Middlemen	5	2.6
Agents	1	0.5
Wholesalers	12	6.2
Consumers & Wholesalers	27	14
Nil	7	3.6
Total	193	100

Source: Author's Field Survey

Consequently, the limited influence of both middlemen and agents further corroborates the invariably cheaper commodity pricing regime and cost of living in Ilorin metropolis, compare to other towns and cities like Lagos, Kano, Abuja, Ibadan, etc (Author's field observation). The types of occupational advancement

could be said to be of many ways. The study by Okpara (1994), of towns from Imo state, Nigeria, noticed two ways, which were:

- Conversion to Higher-order forms, and
- Business Premises replication / Branch establishment.

Conversion to Higher-Order forms:

The result of the questionnaire survey showed that in the study area the distributive trade is characterized by traders who move from one position to another along the hierarchy over time. This result is presented in Table 8.

Table 8: Pattern of Business Growth by Conversion to Higher Order Business Premises.

TYPE OF PREMISE	Ilorin East		Ilorin South		Ilorin West	
	Number of Business Unit					
	At Inception of Business	At Interview Time	At Inception of Business	At Interview Time	At Inception of Business	At Interview Time
Warehouse	2	5	-	2	-	5
Market & Street lockup Shop	29	32	12	25	26	45
Market Open Stalls	1	4	1	9	2	1
Kiosk	4	4	5	-	8	5
Improvised Stand	16	23	1	4	10	6
Hawking	14	5	3	-	7	
Others (i.e. Office, Personal Houses)	4	2	-	1	2	1
No Response	12	7	23	4	11	3
Total	82	82	45	45	66	66

Source: Author's Field Survey

In Ilorin-East zone 6.1% of respondents were found hawking, while 17% claimed to have started their trading career as itinerant hawker, before rising to other levels on the hierarchy at the time of survey. Though, there is the possibility of downward decline, the respondents were dominated by those who have made upward advancement on the occupational ladder as illustrated on Table 8. This

table is a comparison of respondents, linked with each type of business premises, at inception of trading and at the time of the survey.

Branch establishment

This is the multiplicity of business outlets owned by individual trader apart from his/her original business premise; which also represent an important dimension of occupational advancement. 29.7%, 32.9% and 36.4% of respondents from Ilorin-South, East and West respectively, agreed to the ownership of multiple business outlets. Reasons proffered are the possibility of maximizing profits accruable to them, since each outlet attracts its own customer category. Olakanpo (1963); Okpara (1994), have in the same vein remarked that "each retail unit has a hardcore of clientele who patronize it irrespective of price changes". Lloyd (1967,p.70) has reported same feature among commercial cooks in Oje market in Ibadan.

A reason for multiplicity of business units, according to respondents, is being able to spread 'unforeseen' investment risks, thereby deriving investment security. Hart (1973, p.78) corroborates this assumption, noting the relevance of the concept of another income source as a pivoting force for replication of business outlets.

Summary and Conclusion

The present level of education amongst traders in Ilorin metropolis has drastically improved compared to that in a survey by Adegboyega (1982), on analysis of retail structure in Ilorin, which peg the levels of education of traders; then, to be 42.5%, 30% and 5% for primary, secondary and tertiary educations respectively. Consequently, in about three decades between the assertion by Adegboyega, in his survey of Ilorin and the present survey, the reverse is the case now. Educational levels for the respective cadre of education have considerably appreciated, especially at the tertiary levels. For instance 11.9%, 32.6% and 38.3% respectively for primary, secondary and tertiary accordingly, see Table 3. Also, no significant difference was found in the respondents' gender composition in the studied area, as opposed to the scenario in some Northern States where the involvement of the female gender in public commerce is a bit restrictive.

This survey has demonstrated that a hierarchy of trading types and business premises actually do exist in the urban commercial landscape. These were presented in terms of the functional distinction between various shades of retailers on one hand and wholesalers on the other. The business premise types have been found to organise into a system, that ranges from trader operating from no fixed address, to the highly capitalized business premise featuring outfits like warehouse, showroom and office complex. In view of these two hierarchical groupings, the study equally demonstrates that both approaches to trader

categorisation are not in conflict with each other, but represents two possible ways of synthesizing the problems posed in an attempt to understand the operational attributes of urban traders in the study area. Finally, the present study highlights the fact that as rational human being, man's attempt towards higher status than he was at different times is inevitable. So also the traders attempt to make locational adjustments on the occupational ladder. Some of the various methods used in achieving this and a number of variables which play a part in the process of achieving their goal have been highlighted.

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